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The President's Daily Brief

25 October 1952

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~~Top Secret~~
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THE PRESIDENT'S DAILY BRIEF

25 October 1973

PRINCIPAL DEVELOPMENTS

The cease-fire appears to be working on the Syrian front, but fighting continued through most of yesterday on the Egyptian front south of the Great Bitter Lake on both banks of the Suez Canal. At last night's Security Council session, eight nonaligned states presented a resolution to create a UN emergency peacekeeping force for the Middle East. 25X1

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Bonn, nervous over possible Arab retaliation, has requested the US to cease resupplying Israel from American military depots in the Federal Republic. *(Page 3)* 25X1

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Cambodian Army Commander-in-Chief General Fernandez continues to grumble about the deficiencies of Cambodia's civilian leadership and has even gone so far as to talk openly about a coup against the new In Tam government. *(Page 5)*

Chile wants to negotiate with three US copper companies whose property was expropriated by the Allende government. *(Page 6)*

Soviet party chief Brezhnev has advanced the date of his visit to Cuba and will arrive on October 31 instead of sometime in December as earlier scheduled. *(Page 7)*

Foreign capitals continue to express disappointmnet with the lack of progress toward monetary reform at the Nairobi meeting. *(Page 7)*

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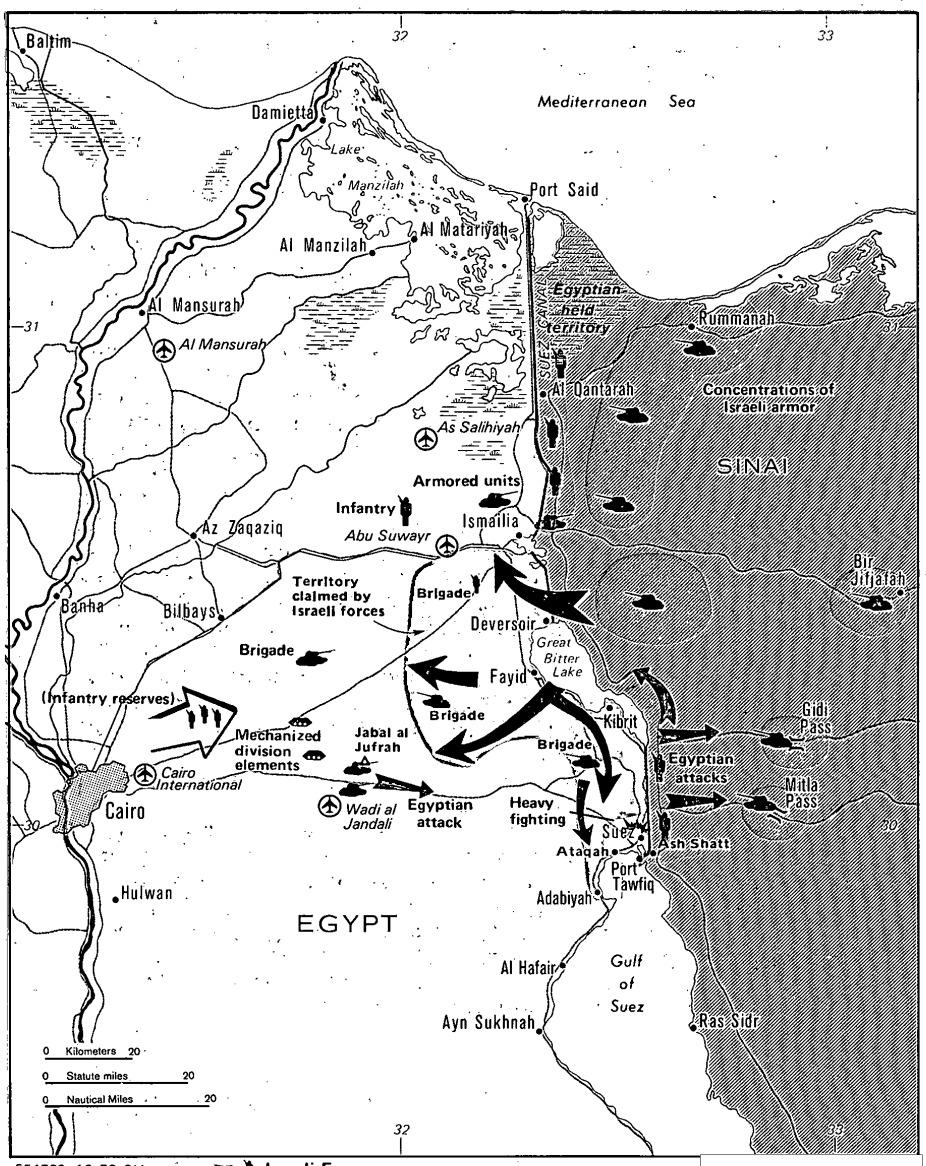
Suez Canal Zone



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ARAB STATES - ISRAEL

The cease-fire appears to be working on the Syrian front, but fighting continued through most of yesterday on the Egyptian front south of the Great Bitter Lake on both banks of the Suez Canal.

[redacted] Egyptian units on the east bank launched a two-pronged, tank-supported attack toward the Gidi and Mitla passes and made some gains before being halted by Israeli forces. There is no clear indication, however, what positions these Egyptian units now hold. 25X1

Israeli forces captured the Egyptian naval base at Adabiyah, south of Suez city, yesterday morning, and fighting continued in and around Suez city throughout the day. Egyptian armored forces on the west bank tried unsuccessfully to launch an operation to reopen the road from Cairo to Suez. By nightfall, fighting had died down to sporadic artillery fire.

Large Egyptian forces apparently remain within the Israeli enclave on the west bank of the canal. Israeli aircraft yesterday attacked 20 to 30 Egyptian tanks there and an Egyptian convoy of 50 to 60 trucks. Elsewhere along the Egyptian front, the cease-fire appears to be in effect.

Calm generally prevailed along the Syrian front, but the Israelis have been shelling fedayeen positions in Lebanon. Tel Aviv has warned Beirut that it will have to bear the consequences of any further terrorist activity against Israel by the fedayeen in Lebanon.

At last night's Security Council session, eight nonaligned states presented a resolution to create a UN emergency peacekeeping force for the Middle East. Their resolution would enlarge the existing UN observer force, and it reiterates earlier calls for an immediate cease-fire and withdrawal to positions held at 1750 GMT Monday. The nonaligned proposal followed an Egyptian request that Soviet and US troops enforce the cease-fire. The Soviets made no promise to provide supervisory forces, although they argued that the request was justified by continued Israeli violations of the truce. The council is scheduled to reconvene at 1030 this morning to debate the nonaligned draft.

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The Syrian Front

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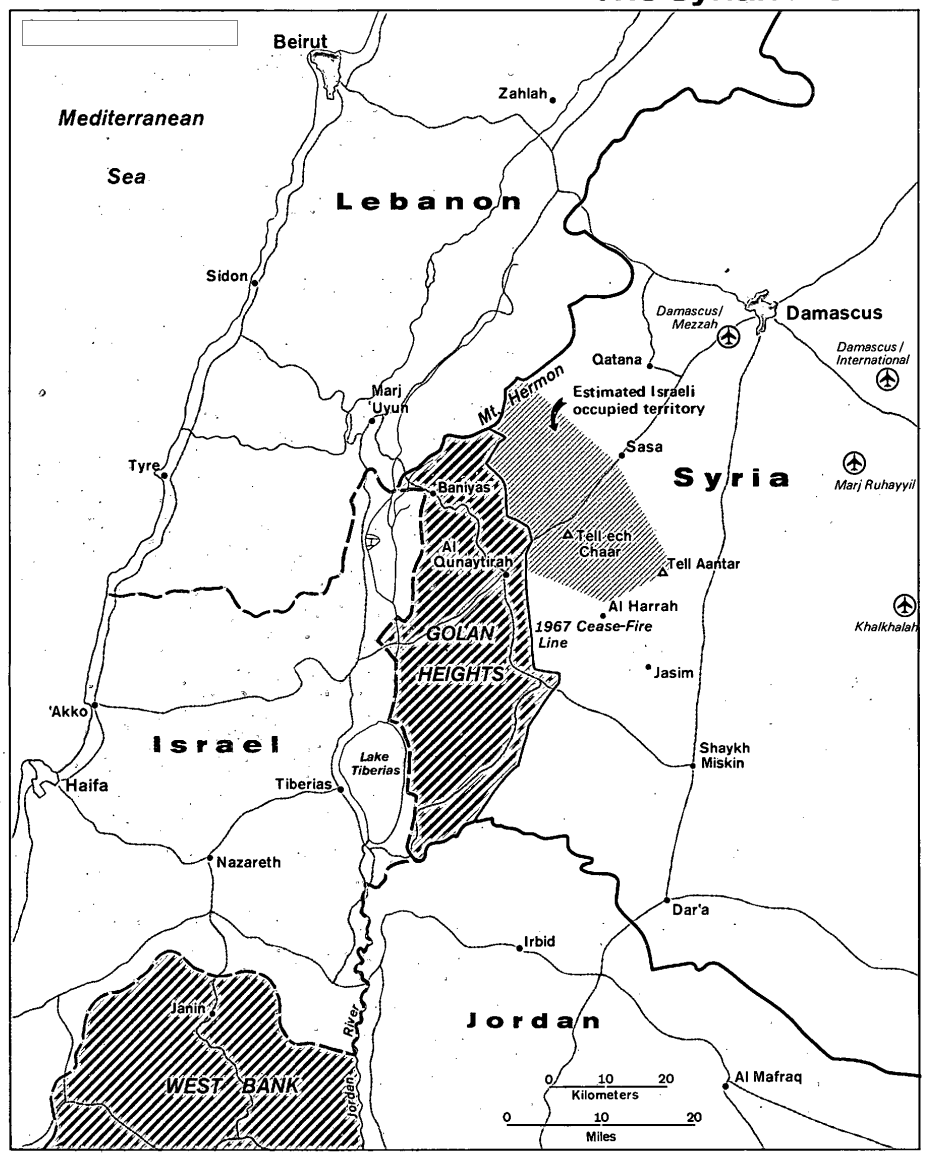

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All seven UN observation teams planned for the Egyptian side of the cease-fire line have been dispatched and are reporting. Most teams, however, are uncertain of the location of front line positions, and three teams on the southern sector have been held up by fighting northwest of Suez city. Israel is delaying efforts to establish stations on the east bank, and no observer patrols have reached that area. Damascus wants observation teams installed along the Israeli bulge into Syrian territory, and this is the present UN plan.

The Chinese have not tried to block either cease-fire call, undoubtedly out of deference to Arab wishes. China has described the UN cease-fire resolutions, however, as ploys to bolster superpower hegemony in the Middle East. Throughout the fighting the Chinese have limited themselves to strong verbal support for the Arabs and pledges of additional economic aid to Egypt.

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WEST GERMANY

Bonn is nervous about possible Arab retaliation for permitting the US to resupply Israel from American military depots in the Federal Republic.

The government fears that its "even-handed" approach to the Middle East dispute has been compromised, that the Arab states may again sever relations, and that oil deliveries may be halted. Despite a public posture of relative unconcern, German officials are worried about the possible impact that restrictions caused by a lengthy oil embargo would have on public opinion and on Bonn's NATO commitments.

These points were made forcefully to Ambassador Hillenbrand on Tuesday by State Secretary Frank at the behest of Foreign Minister Scheel. According to Frank, Bonn hopes that the US will cease its resupply effort with the advent of the cease-fire. Yesterday Frank made an even stronger request to a senior US embassy official when he asked that the US immediately take steps to stop further deliveries. He also stated that his government has instructed an Israeli ship now in a West German port to complete its loading and depart quickly, and said that other scheduled Israeli ships will not be permitted to pick up military cargo.

This position evidently was adopted at a "rump" cabinet meeting on October 23. Defense Minister Leber, a staunch supporter of Israel, was not present; later he told Hillenbrand that he would support the continuing resupply of Israel if the US wished. The Ambassador suspects, however, that the Chancellor and a majority of the cabinet share Foreign Office worries.

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USSR - MIDDLE EAST

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The Soviets publicly accused Israel on October 23 of violating the cease-fire and threatened Tel Aviv with the "gravest consequences" if it did not stop its "aggression."

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CAMBODIA

Cambodian Army Commander-in-Chief General Fernandez is continuing to grumble about the deficiencies of Cambodia's civilian leadership and its "neglect" of the military. Fernandez has even gone so far as to talk openly about a coup against the new In Tam government. Fernandez evidently is telling contacts that the US is supporting him despite the fact that Chargé Enders told him and other military leaders on October 21 that any political turnover in Phnom Penh would be disastrous. Chargé Enders now intends to weigh in with Fernandez in an even more forceful manner than he did four days ago.

Fernandez evidently is also on the outs again with Lon Nol because of the President's intention to strip him of the authority to make key personnel assignments in the military. Their relations obviously will not be improved by Fernandez' recent intemperate remarks to the general staff which includes several officers loyal to Lon Nol.

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CHILE

Chile wants to negotiate with three US copper companies whose property was expropriated by the Allende government. The US Embassy in Santiago reports that Foreign Ministry Economic Adviser Orlando Saenz has met company representatives, formulated tentative plans, and has asked for company reactions to them.

Saenz believes there should be relatively little difficulty in reaching terms with the Cerro Corporation along lines of an arrangement worked out between the company and the Allende government but never implemented. He hopes for an agreement with Anaconda that would provide for technical assistance and the company's help in developing a new ore deposit. Saenz is concerned about negotiations with Kennecott, however, and believes that the company may insist on its demand for $600 million in compensation. Chile is prepared to offer up to $160 million.

Chile needs technical help in running the copper mines and wants to encourage foreign credits and investment. In resolving its disputes with the copper companies, however, Santiago cannot afford to appear to be selling out Chilean sovereignty and if pressed too hard could react defensively.

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NOTES

USSR-Cuba: Soviet party chief Brezhnev has advanced the date of his visit to Cuba and will arrive on October 31. Brezhnev had been scheduled to make an official visit to Cuba "in December of this year and January of next year," according to the Soviet announcement made last July. There is no clear reason for the change.

International Monetary Reform: Foreign capitals continue to express disappointment with the lack of progress toward monetary reform at the Nairobi meeting. The Dutch, in particular, consider the initial outline presented at the conference as a step backwards since, in their view, it glosses over both fundamental and technical differences among nations. They were also disturbed at what they saw as an emerging economic "Big Five"--the US, the UK, West Germany, France, and Japan. Although the Italians and the Dutch are unhappy over the lack of results, French Finance Minister d'Estaing has indicated that he thinks the time is not yet ripe for reform and that improvement in the US balance of payments position would help.

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